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FISCAL IMPACT STATEMENT

LS 6052

BILL NUMBER: HB 1214

NOTE PREPARED: Oct 22, 2004

BILL AMENDED:

SUBJECT: Licensure of Manicurist Instructors.

FIRST AUTHOR: Rep. Dickinson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill authorizes the Board of Cosmetology Examiners to license manicurist instructors and to charge a fee of \$40 for issuing or renewing a manicurist instructor license. The bill also establishes qualifications for an individual to be licensed as a manicurist instructor.

Effective Date: July 1, 2005.

Summary of Net State Impact: This bill could increase expenditures for the Professional Licensing Agency by approximately \$35,735 per year for an additional staff person and \$150 every four years for administering a new license or temporary work permit. However, this bill could also increase revenues by approximately \$13,760 every four years due to the license fees.

Explanation of State Expenditures: Currently, the Board of Cosmetology Examiners offers instructor licenses in cosmetology, esthetics, and electrology. This bill seeks to add a manicurist instructor license and temporary manicurist instructor work permit to this list.

The Professional Licensing Agency (PLA), the support body for the Board, could require additional expenditures in order to process the license and work permit for manicurist instructors. If an additional COMOT 3 position were added to administer the license, the impact would be \$35,585 in FY 2005 and \$35,057 in FY 2006. As of September 7, 2004, the PLA had 33 full-time staff members and 10 vacancies.

The PLA also may experience additional expenditures, depending on the number of applicants for the license. Potential applicants for a manicurist instructor license must hold a manicurist license; the PLA reported that

9,318 manicurist licenses were active as of October 2004. There were also 26.6 licensed cosmetologists to every one licensed cosmetology instructor, or a ratio of 3.7%. If this ratio were applied to the current number of manicurist licenses, an estimated 344 (9,318 X .037) individuals would apply for the manicurist instructors license. The cost associated with forms, printing, sealing, and postage was approximately \$440 per thousand licenses or work permits issued. Based on the estimated number of applicants, these costs should be approximately \$150 every four years.

Although an examination must be created for this new license, the costs of providing the examination will likely be offset by the examination fee. The PLA charges between \$15 and \$25 for instructor license examinations.

Background: Applicants must also have obtained at least 1,000 hours of instructor training. The total number of students currently enrolled in instructor training courses in Indiana is unavailable. The National Accrediting Commission of Cosmetology Arts & Science (NACCAS) reports only 18 of the 22 schools it accredits in Indiana offer 1,000 hours of instructor training.

Explanation of State Revenues: The bill requires a fee of \$40 for the issuance and renewal of a manicurist instructor license. If 344 individuals (based on the estimate provided above) applied for a manicurist instructor license, an estimated \$13,760 in revenue could be collected in issuance fees. The license is up for renewal every four years.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Professional Licensing Agency, Board of Cosmetology Examiners.

Local Agencies Affected:

Information Sources: Indiana Professional Licensing Agency; State of Indiana HRM Detail Staffing Report; National Accrediting Commission of Cosmetology Arts & Science, www.naccas.com.

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